



COLLECTIVE AGREEMENTS AND LABOUR MARKET IN THE NORDIC COUNTRIES

**TRANSLATION OF THE SUMMARY OF A JOINT REPORT OF THE
ICELANDIC CONFEDERATIONS OF EMPLOYERS AND TRADE UNIONS**

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Contents

1	Labour market	3
2	The confederations on the labour market	4
	2.1. Confederations of trade unions	4
	2.2. Confederations of employers	4
	2.3. Trade union density and number of collective agreements	5
3	Historical overview	7
4	Regulatory framework of collective agreements	11
	4.1. Collective agreements and legislation	11
	4.2. The mandate to make collective agreements	12
	4.3. Wage levels and welfare benefits	12
5	Collective bargaining systems	12
	5.1. Wage systems on the general market	12
	5.2. Wage systems in the public sector	13
	5.3. Role of central confederations in collective agreements	13
	5.4. Statistical collaboration	13
6	The bargaining process	14
	6.1. Preparations	14
	6.2. Bench markers	15
	6.3. Strikes and labour disputes	15
	6.4. Voting on collective agreements	15
7	Role of the state mediator	16

LABOUR MARKET AND COLLECTIVE AGREEMENTS IN THE NORDIC COUNTRIES

The federations of trade unions and employers in Iceland organized a study tour to the Nordic countries (Scandinavian countries) during 24 through 28 February 2013. The purpose of the trip was to learn about the structure of the labour market there, how collective agreements are prepared and reached. The participants came from the Confederation of Icelandic Employers (SA), the Icelandic Federation of Labour (ASÍ), the Federation of State and Municipal Employees (BSRB), the Association of Academics (BHM), the Icelandic Teachers' Union (KÍ), the Association of Local Authorities in Iceland and the Ministry of Finance. The Office of the State Mediator was requested by the federations to plan the visit and to be represented on the team. This report is a result of the tour.

1 LABOUR MARKET

The total population of the Scandinavian countries was 26 million at the end of 2012. Sweden's population is the largest, 10 million, followed by Denmark, Finland and Norway, each with a population of 5.1 to 5.6 million. The labour market consists of 13.4 million people, thereof 12.5 million employed, whereas the number of unemployed was around 900,000 people. Unemployment was on average 6.0%, highest in Sweden, 7.8%, and lowest in Norway, 3.2%.

Labour participation is extensive, i.e. 71% on average, the highest in Iceland but lowest in Finland. The proportion of inactive population is fairly low in international comparison; 21% in the Nordic countries as whole. The highest proportion of inactive population is in Finland whereas the lowest is in Iceland. By comparison, the unemployment rate was considerably higher in the EU member states and the proportion of the active population was considerably lower. Unemployment was 5% higher and employment participation was 7% lower in the EU member states than in the Nordic countries, which accordingly utilize their manpower significantly better than prevails in EU member states.

The labour market in the Nordic countries compared with EU							
	Denmark	Finland	Iceland	Norway	Sweden	Nordic	EU (27)
Population, millions	5.6	5.4	0.3	5.1	9.6	26.0	499.0
Active population, millions	2.9	2.6	0.2	2.7	5.0	13.4	241.3
Unemployed, thousands	199	185	8	83	384	859	25,675
Unemployment, %	7.1%	7.1%	4.9%	3.2%	7.8%	6.0%	10.8%
Activity rates, %	69%	65%	79%	71%	71%	71%	64%
Inactive population, thousands	800	919	33	736	1,243	3,731	92,271
Inactivity rates, %	22%	26%	17%	22%	20%	21%	28%

Source: Eurostat. Year end or 4. quarter 2012. Active population 15-74 years, inactive population 15-64 years.

2 THE CONFEDERATIONS ON THE LABOUR MARKET

2.1. Confederations of trade unions

Central trade union confederations operate in all of the Nordic countries with a large number of unions and federations as their members. The central confederations usually handle coordination and representation of the unions' joint issues. The bargaining rights are held by the individual unions who negotiate on wages and terms of employment other than those which the central confederations engage in. The unions work together depending on who their counterparty is in collective bargaining. There are also examples of unions that are not members of labour federations.

Central trade union confederations in the Nordic Countries

Country	Central confederation	Number of member trade unions	Number of members, thousands
Denmark	LO	18	1,100
	FTF	78	450
	AC	23	227
Finland	SAK	21	1,000
	STTK	20	600
	Akava	35	570
Norway	LO	22	880
	YS	22	230
	Unio	11	300
	Akademikerne	13	170
Sweden	LO	14	1,300
	TCO	15	1,200
	Saco	22	1,000

2.2. Confederations of employers

The collective agreements in the Nordic countries can be divided into three categories; private, state and municipal, and employers are organized accordingly. All the Nordic countries have large national confederations of employers on the private market who generally do not play a large role in collective agreements except on general issues. There are exceptions from this rule in Norway where two fairly large employers' organizations operate parallel with the main employers' confederation. The federations of the municipalities and the middle government level (counties, provinces) enter into collective agreements with trade unions and the finance ministries normally enter into collective agreements with trade unions for employees of the state, whereas in Sweden and Finland the state has a special employers' organization.

Employers' central confederations on the private labour market in the Nordic countries

Country	Confederation	Number of member federations	Number of member companies
Denmark	DA	14	28,000
Finland	EK	27	16,000
Norway	NHO	21	22,000
	Virke	0	16,500
	Spekter	0	180
Sweden	SN	36	60,000

2.3. Trade union density and number of collective agreements

Trade union density in the Nordic countries rates the highest in the world. The proportion in Denmark, Finland and Sweden is around 70% whereas it is considerably lower in Norway or around 55%. The coverage rates of collective bargaining agreements is considerably higher than the trade union density. The reason is i.a. that minimum terms of employment are stipulated by the collective agreements in Finland¹ which also applies for certain defined areas in Norway. The reason in respect of Denmark and Norway is also that a high proportion of enterprises are members of employers' organizations; hence they are committed to abide by the collective agreements. Additionally, a collective agreement covering union members in a firm may also apply to the employment terms of all employees irrespective of union membership.

The number of collective agreements is quite divergent in the respective Nordic states. Denmark has the highest number of agreements, which are equally divided between the public and private sectors. Finland has the fewest number of agreements, as the state enters into only one collective agreement and the municipalities eight. A total of 550 agreements are entered into in Norway, thereof around 100 with the municipalities. Sweden has 685 agreements, including three for state employees, 15 agreements for the municipalities and the middle government, and the remainder applies to the private sector, i.e. agreement made between employers' organizations and trade unions. Additionally, there are some 5.000 affiliation agreements in Sweden between trade unions and enterprises that are not members of employers' federations.

Trade union density, coverage rates of collective bargaining agreements, number of collective agreements and average number of workers per collective agreement

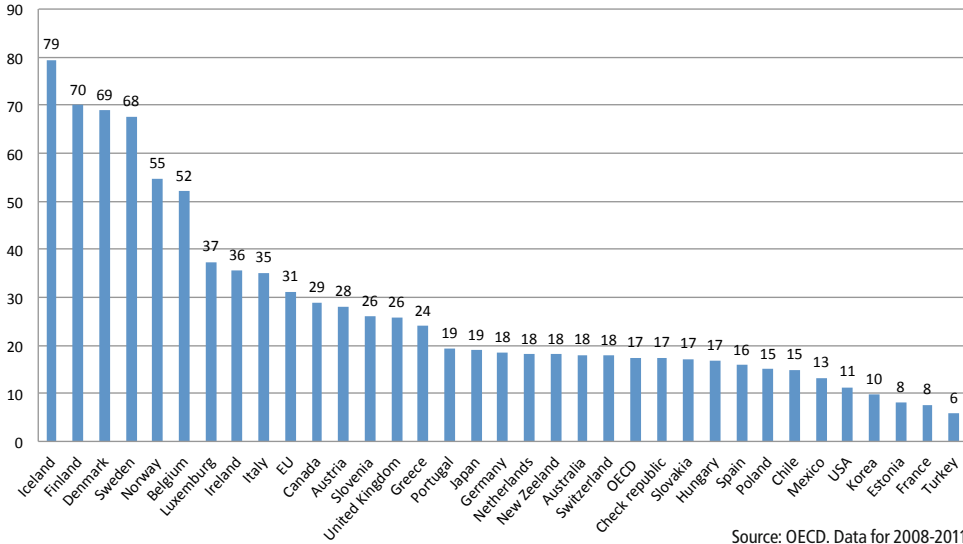
	Trade union density %	Coverage rates %	Total number of collective agreements	Average number of workers per collective agreement
Denmark	69%	83%	1,200	2,000
Finland	70%	90%	290	9,000
Iceland	79%	89%	192	1,000
Norway	55%	73%	550	5,000
Sweden	68%	91%	685	7,000
OECD	17%	56%		

Source: OECD

¹ The same applies in Iceland.

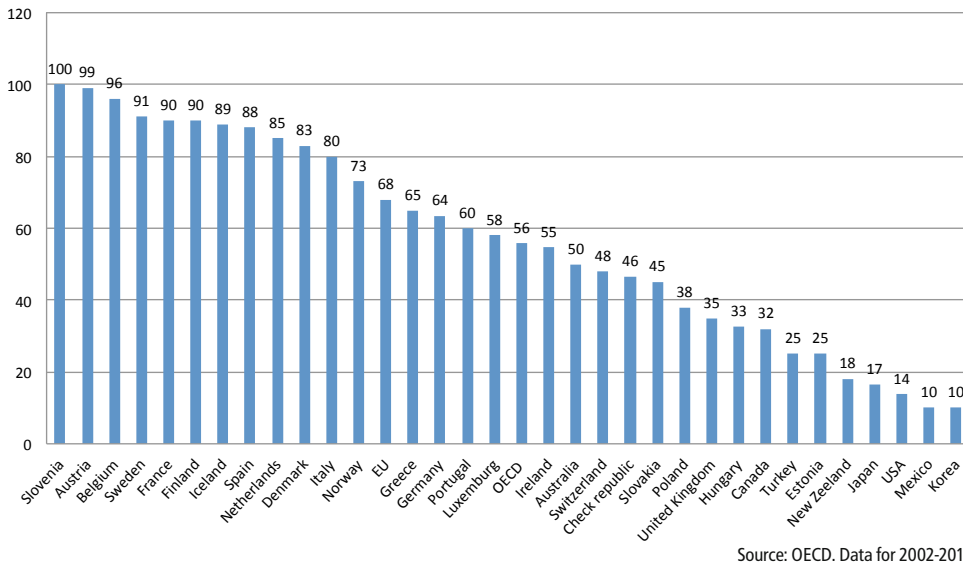
The following bar graph illustrates the special situation in the Nordic countries in terms of trade union density. The proportion is around 70%, however, much lower in most other countries. The comparable figures are on average 30% in the EU member states and 17% in the OECD member states.

Trade union density %



A significantly higher proportion of employees base their employment terms on collective agreements than are members of trade unions.

Coverage rates for collective bargaining agreements %



3 HISTORICAL OVERVIEW

During the seventies and eighties, inflation was high in the world in the wake of the two oil crises. The inflation rate in the Nordic countries was higher at this time than in most other countries. During 1983-1992 the inflation rate in the Nordic countries was 5.7% on average compared with 2.4% in Germany and 3.8% in the United States. The highest inflation rate in the Nordic countries, excluding Iceland, was 6.7% in Sweden, whereas it was lowest in Denmark, 4.2%.

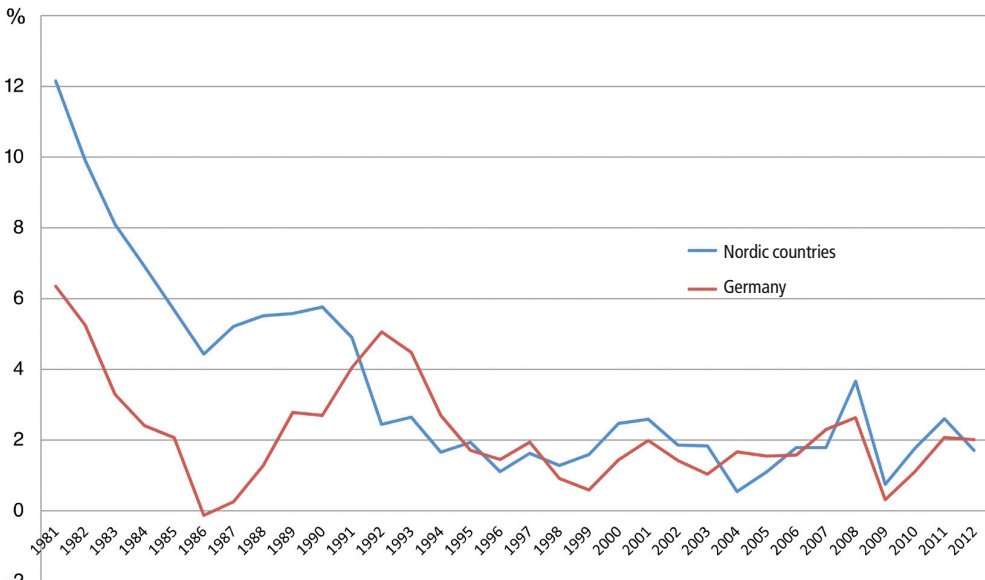
Average inflation 1983-2012, %			
	1983-1992	1993-2002	2003-2012
Denmark	4.2	2.2	2.1
Finland	5.3	1.6	1.7
Norway	5.7	2.2	1.8
Sweden	6.7	1.6	1.4
Nordic countries*	5.5	1.9	1.8
Germany	2.4	1.9	1.6
EU - 27		4.0	2.4

* Except Iceland

Source: OECD

Since 1993 inflation in the Nordic countries has been similar as in Germany and on average less than in the 27 EU member states. During 1993-2002 the inflation rate was 2.2% on average in the Nordic countries and 1.9% in Germany, and during 2003-2012 the inflation rate in the Nordic countries was 1.8% and 1.6% in Germany. The average inflation rate in the EU member states during the aforementioned periods was 2.5%.

Inflation in the Nordic countries (except Iceland) 1981-2012



Source: OECD

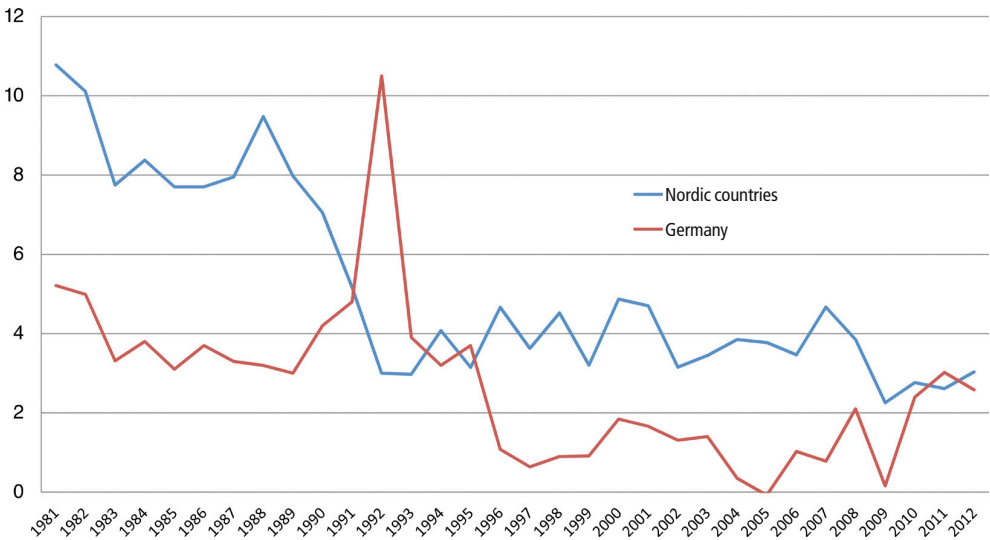
Parallel to high inflation in the eighties, wage increases in the Nordic countries were higher than among trading partners, particularly Germany, and the competitiveness of the export industries deteriorated accordingly. Annual Wage increases in the Nordic countries during 1983-1992 amounted to 6.9% on average compared with 4.3% on average in Germany. Wage increases slowed down after 1992, ranging from 3.5-4% in the Nordic countries and 2.5-3% in Germany. The competitiveness of the Nordic countries therefore worsened, however, this was balanced to a certain degree by increased productivity². Wage increases in the EU member states as a whole have also been higher than in Germany without, however, them being mitigated by increased productivity. The competitiveness of other EU member states has thus severely deteriorated.

Average increase of hourly wages in manufacturing 1983-2012			
Denmark	5.4	3.7	3.2
Finland	6.8	4.0	3.4
Norway	7.7	4.1	4.5
Sweden	7.5	3.9	3.1
Nordic countries*	6.9	3.9	3.5
Germany	4.3	2.8	2.0
EU - 27		3.6	3.0

* Except Iceland

Source: OECD

Increase of hourly wages in manufacturing in the Nordic countries (except Iceland) and Germany 1981-2012



Source: OECD

² OECD's Economic Outlook 2012, Annex Table 12. The productivity of the workforce increased during 1985-2012 in the Nordic countries (excluding Iceland) by 1.7% on average, whereas it increased by 1.2% in Germany. The workforce's productivity in the Nordic countries increased by 60% during the 28-year period, whereas the increase in Germany was 40%. The wage increases in the Nordic countries in excess of Germany over the last 10 years have been considerably larger than constituted in the difference in the development of productivity. Wages in the Nordic countries increased annually by 1.3% more than in Germany, whereas the productivity of the workforce increased annually by 0.5% more.

Higher inflation and corresponding wage increases in the Nordic countries in the eighties caused a constant deterioration of competitiveness compared to Germany, resulting in substantial depreciations of the Nordic currencies. The exchange rate of the Norwegian krone deteriorated in the eighties but has been stable since the early nineties. The exchange rate of the Swedish krone decreased most during the whole period, or by 4% annually per year in the eighties and by 2% in the nineties. The lower exchange rate as a whole in the Nordic countries amounted to just over 3% per year in the eighties and 1% per year in the nineties. Since 2003 the exchange rates of the Nordic currencies vis-a-vis the Euro have been stable. Finland adopted the Euro in 1999 and the Danish krone has been linked to the Euro as of the same time through the ERM II exchange rate mechanism. Prior to this it was linked to the German mark (DM).

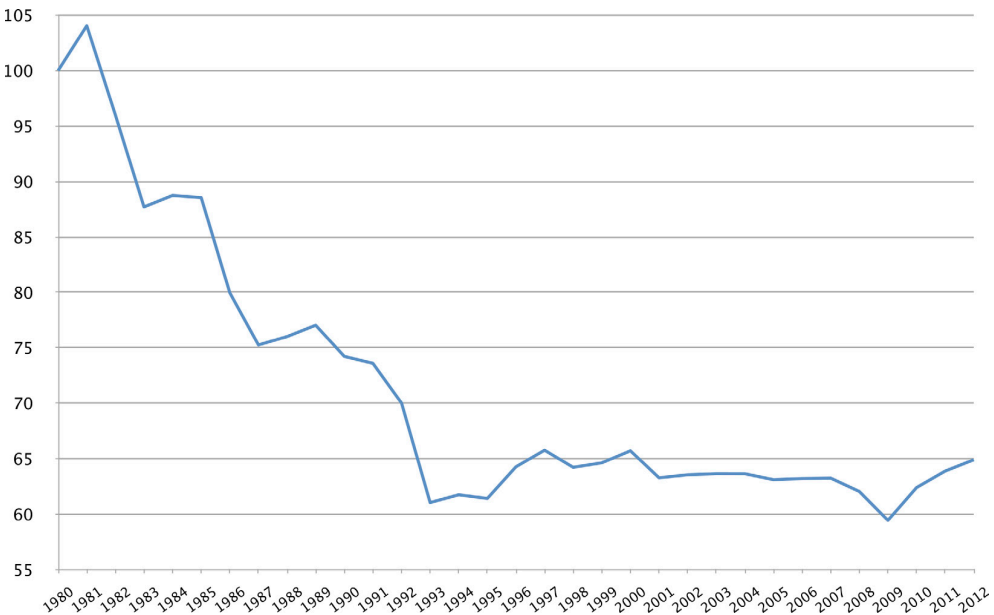
Nordic currencies' average annual change against the German mark/euro 1983-2012

	1983-1992	1993-2002	2003-2012
Denmark	-1.2	0.2	0.0
Finland	-3.7	-0.6	0.0
Norway	-4.1	0.4	0.1
Sweden	-3.7	-2.3	0.5
Nordic countries*	-3.2	-1.0	0.2

* Except Iceland

Source: OECD

Development of the Nordic currencies (except Iceland) against the German mark/euro 1980-2012



Source: OECD

The purchasing power of wages in the Nordic countries has increased extensively in recent decades. During 1982 to 2012 the purchasing power of the hourly wage in industry increased by 67%, or by 1.7% per year on average. The purchasing power in Norway has increased by 84%, by 78% in Finland, 68% in Sweden, whereas it increased by 42% in Denmark. The purchasing power of the hourly wage in Germany increased by 18% during this period, or by 0.6% on average per year.

This development, however, has not been steady during the entire period. In the eighties wage increases were high in the Nordic countries, yet the purchasing power of wages did not increase accordingly. During the nineties and the first decade of this century the purchasing power of wages increased more than in the eighties, despite wage increases being less, because inflation decreased. These conclusions may indicate a strong correlation between increased purchasing power of wages and economic policy targeting on low inflation.

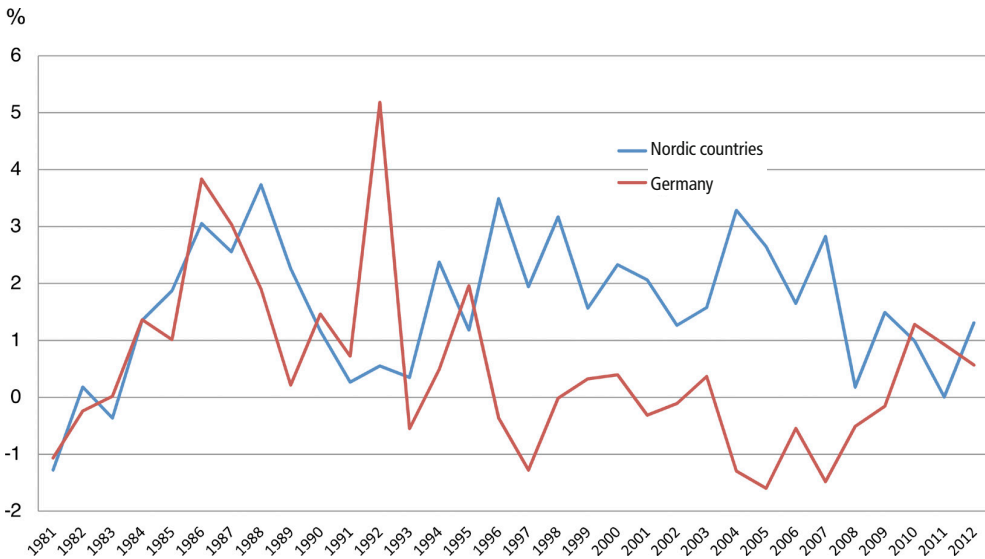
Average increase of purchasing power 1983-2012			
	1983-1992	1993-2002	2003-2012
Denmark	1.2	1.6	1.1
Finland	1.6	2.4	1.7
Norway	2.0	1.9	2.7
Sweden	0.7	2.3	1.6
Nordic countries*	1.4	2.0	1.8
Germany	1.9	0.9	0.4
EU - 27		-0.4	0.6

* Except Iceland

Source: OECD

In the wake of the labour disputes in 1985 and difficulties in reaching collective agreements in the previous decade a decision was made in Denmark to change the collective bargaining system. The change entailed that collective bargaining would become more decentralized than before and the role of the central confederations was altered. The collective agreements in Finland have by and large been centralized for decades. In recent years trilateral agreements have been prevalent, i.e. negotiations between the federations on the labour market with state participation. The employers' federations in Finland are dissatisfied with the situation and want to move away from the centralization of recent decades. Norway has seen no principal changes in the collective bargaining model where there exists a long tradition of trilateral collaboration between the government and the federations on the labour market. Nevertheless the wage formation in Norway is essentially decentralized. A principal change took place in Sweden in the early nineties with the result that collective bargaining was no longer under the umbrella of the central confederations but instead with their member federations. The objective of the changes was to enhance stability in wage formation, inflation and exchange rates, with the overall wage development in the country being based on the performance of the industrial sector.

Average annual changes of purchasing power in the Nordic countries (except Iceland) and Germany 1981-2012



Source: OECD

4 REGULATORY FRAMEWORK OF COLLECTIVE AGREEMENTS

4.1. Collective agreements and legislation

The basis of the Nordic collective bargaining model is that the framework for the negotiations is principally determined by agreements between the federations on the labour market as opposed to by legislation. Agreements have been in effect for decades between the federations on the labour market regarding rules of the bargaining process and the handling of disputes, frequently referred to as main collective wage agreements. They apply both to the public and private sectors. The clear will of the social partners is for the employment terms being determined to the fullest extent possible by collective agreements and as little as possible by legislation, and based on the long tradition and extensive participation in the organizations of employers and employees. There are laws in all the states on labour courts and mediation in labour disputes. All amendments of labour law are made in close cooperation with the social partners.

Minimum wages are not stipulated by law in the Nordic countries. Nevertheless the collective agreements in Iceland and Finland stipulate the minimum terms, and the same applies in certain fields in Norway.

Involvement by the governments in the collective bargaining process is divergent in the four countries, however, all of them have traditions of tripartite cooperation between the authorities and the social partners.

4.2. The mandate to make collective agreements

The mandate to make collective agreements is held by the trade unions, however, they may as deemed appropriate transfer the mandate to the national federations and the same applies to the individual federations of employers.

4.3. Wage levels and welfare benefits

Much debate takes place in the Nordic countries on changes of the unemployment compensation system and the arrangement of welfare systems, and the parties' views are very different. Some believe that the systems may be work-demotivating in instances where the unemployment compensation is relatively high compared with relevant wage levels, and governments contemplate changes, both in Denmark and Finland, whereas others disagree with this point of view. Hence, there are different views on the need for changes in this respect.

5 COLLECTIVE BARGAINING SYSTEMS

5.1. Wage systems on the general market

Agreements solely with minimum wages and agreements without wage figures at all apply to 85% of employees in Denmark. Increasing the minimum wage by a certain amount has no direct impact on wages above the minimum wage. Around 15% of the employees are paid according to wage scales in the relevant collective agreements, for example for drivers and sanitation workers, and enterprises in these fields of industry generally do not negotiate with representatives of the employees on the wages paid for such jobs. Wage increases are generally not decided by collective agreements of the trade unions and the federations of employers; instead they are the result of negotiations between the enterprises and the employees representatives, usually workplace shop stewards.

Centralized negotiations have prevailed in Finland, however, the development is towards increasing the share of local agreements. The Finnish employers' organizations strongly emphasize changes to this effect and that the negotiations take place without the involvement of the government.

Most collective agreements in Norway stipulate minimum wages that apply to the industry concerned. The cost framework of the agreements is implemented in corporate agreements without the possibility of industrial action (peace obligation). The collective agreements are usually made for two year periods at a time and during the first year the focus is on wage changes and joint matters, whereas the second year the main focus is on wage changes. In the first year the agreements are usually made between the federations of the central confederations whereas in the second year they are made between the central federations.

The share of individual wages has increased in Sweden in recent years. Content of the work and performance are the principal factors that are evaluated when determining individual wages. Commonly a part of the wage increases in the collective agreements is general and a part allocated in the corporate agreements between workplace shop stewards and management. Employers would like to increase the share of the wage formation which takes place within the enterprises.

5.2. Wage systems in the public sector

A part of the collective agreements in the public sector in Denmark is a wage development guarantee, which is intended to guarantee a similar wage development between civil servants and the general labour market. The arrangement guarantees that the wages of civil servants increase on average by 80% of the average increase on the general labour market as measured by the regular wage surveys.

Norway allows public institutions scope for implementing wage increases according to the policy formulation in the collective agreements. The trade unions usually collaborate in the bargaining process and in their wake local or institutional agreements are entered into within the agreement-cost framework in the absence of the possibility of industrial action (peace obligation).

Individual wages in Sweden weigh heavily in the public sector and the wage formation within the institutions is more common than in the private sector.

5.3. Role of central confederations in collective agreements

There are so-called main collective agreements in force between the central confederations of labour and employers which constitute a part of the collective agreements between the federations of trade unions and employers. They contain provisions on procedure, for example, how to address disputes, the negotiations mandate, the role of workplace shop stewards and cooperation on various issues.

Collective agreements on wages and terms of employment are usually made between individual trade unions or a cartel of trade unions in a certain industry and the appropriate trade federation of employers. There are exceptions, however. The central confederations enter into agreements on joint matters that apply to all their member federations. The main tasks of the central confederations as regards collective agreements are coordination, information dissemination and public relations, and ensuring that the formulated wage policy applies to the entire labour market.

5.4. Statistical collaboration

The social partners conduct close collaboration on statistical information. The aim is that all negotiating parties base their approach on the same information. The joint reports by the parties contain no instructions or opinions about wage changes.

Denmark has had a statistics committee since 1987 with representation by the central confederations of employers and unions (DA and LO) and three ministries. The committee evaluates the development of wage costs, pricing and the purchasing power of wages, as well as other factors that affect competitiveness in Denmark and abroad.

Finland has a collaboration committee of the social partners and the government, which evaluates the cost impacts of the wage agreements. The committee is intended to promote a joint vision about the situation on the labour market, the wage changes, prices, the purchasing power of wages and competitiveness in the economy. The Economic Council is a collaboration venue of the government, the social partners and the Finnish Central Bank, addressing economic issues in a wide context. The federations of employers and unions also collaborate themselves, analysing the impact of the various changes of the agreements and of governmental measures.

Norway has a technical committee on calculations (TBU), which has been operating for half a century under the chair of the director of the central statistics office. The members come from the largest federations of unions and employers, as well as representatives of two ministries. The committee issues reports three times a year containing information about the development of wages, income and prices, competitiveness of industry and the general economic development. The technical committee's reports submit facts, but no recommendations or guidance.

Reports are issued in Sweden containing statistical information constituting the grounds for evaluating the scope of for wage increases. The wage statistics related to collective bargaining are published by the state mediator according to law, but the Industry Council, the National Institute of Economic Research and the federations of trade unions and employers also publish various statistical material relevant for the bargaining process. Various analysis and collaboration take place regarding evaluation of the economic premises of collective agreements. The state institution, National Institute of Economic Research, evaluates the wage development and its consequences, as well as the Industry Council.

6 THE BARGAINING PROCESS

6.1. Preparations

Much emphasis is placed in the Nordic countries on thorough preparations for each bargaining round. The parties' collaboration is both formal and informal, with and without the participation of public bodies. The economic premises are analysed and comparisons are made with the situation in other countries. The parties discuss and analyse the results of previous collective agreements and joint efforts steadily take place on processing information. During the bargaining process the situation is assessed and workgroups go through individual factors and statistics constituting the grounds for assessing the scope for wage increases. When the bargaining processes begin, specially agreed time schedules prevail, for example, demands must have been submitted before a certain time limit after which new demands cannot be made.

6.2. Bench markers

There is a general understanding in the Nordic countries that the export industries are to be the front runners and bench markers in the wage formation process. They enter into the first collective agreements in each negotiation round and create precedent for others. Collective agreements in other fields are almost without exception within the framework set by the export industries. Additionally, there exists a common understanding that the wage increases of all collective agreements have to be within the framework which the front runners can absorb without harming its competitiveness³. A certain scope for flexibility in implementation exists, however not in respect of cost increases.

The federations of employers and trade unions in industries operating in international competition have entered into what is referred to as industrial agreements on how the negotiations should be conducted, as well as on the parties' joint objectives, collaboration, education, research, innovation and equality. The goal is to ensure moderate wage and price increases in conformity with the developments in the trading partner countries, and to promote a competitive operating environment for business.

6.3. Strikes and labour disputes

The peace obligation generally prevails during collective agreements' period of validity, during which strikes and lockouts are not permitted. Employees in Denmark may call a one-day lawful strike with one week's notice, in order to enforce changes of corporate agreements even though the peace obligation is in effect. The Danish labour market has been peaceful in recent years. Some 200-300 strikes have occurred yearly with 8,000-16,000 strikers, which generally lasted for one day. In 2011 there were 163 strikes in Finland with some 59,000 strikers and 128,000 lost workdays; hence the average strike there lasted for two days. Norway has had more frequent strikes of civil servants than by employees on the general market, a part of civil servants went on strike in 2012. There have been instances of labour disputes having been resolved by a panel of arbitration appointed by the state. Strikes are rare in Sweden and the labour market has been relatively peaceful in recent years. However, there have been occasional strikes by municipal employees.

6.4. Voting on collective agreements

The members of the LO trade unions in Denmark jointly vote on the collective agreements and the votes are counted from one joint ballot. If an agreement is not reached the state mediator is obligated to submit a mediation proposal to the trade unions that have not reached an agreement. Linking agreements in one mediation proposal makes the total conclusion binding for all parties concerned, even though individual unions may choose to vote against the proposal. The bylaws of each union of civil servants stipulate the arrangement of acceptance or rejection of a collective agreement. The rules are different in this respect. The arrangement in some unions is that voting by all union members takes place, whereas in other instances the consent by a union meeting or a meeting of union representatives suffices. The boards of the organizations of employers decide on the collective agreements with the reservation,

³ Finland is a deviation in this Nordic model. There exists extensive understanding nevertheless about the importance of the export industries regarding the wage negotiations, however, who exactly is the leading factor is not as fixed.

however, of the consent of the Danish Employers Confederation (DA), which needs to confirm that an agreement is in conformity with the set wage policy.

No general voting on collective agreements takes place in Finland, instead they are accepted or rejected by the boards of the trade unions and the federation of employers.

In Norway the collective agreements are accepted or rejected in different ways within the trade unions. The principal rule of the Norwegian Confederation of labour (LO) is that the members of the relevant trade unions vote on the agreements. Other federations have different methods, either a general vote or the boards of the federations accept or reject the agreements. The member companies of the Norwegian employers organizations vote on the agreements. The focus is only on the votes cast and there are no rules on minimum voting participation. The validation of the amendments of the agreements for the second year is made by the representatives of the federations. The board of the Spekter employers' organization validates on the agreements; hence there is no voting by the member enterprises.

In Sweden collective agreements are not voted on by the general members; instead the boards of the trade unions and the federations of employers hold the power of decision.

7 ROLE OF THE STATE MEDIATOR

Laws on mediation in labour disputes in the Nordic countries originate back to the beginning of last century. The laws' objectives have not changed, i.e. to prevent labour disputes or facilitate resolving labour disputes. The offices of the state mediators are independent bodies and not subject to control by the authorities. Trust by the authorities and the social partners, however, is the prerequisite of the mediator's efforts. It generally prevails that submitting a labour dispute to the state mediator does not entail a more favourable conclusion for either party and usually agreements are reached without his involvement. Submitting disputes to the state mediator is frequently a channel resulting in conflicts, whereas in all the countries unsuccessful mediation by the mediator is the prerequisite for a lawful strike.

In Denmark the negotiating parties seek to reach agreements without involving the state mediator. Upon the end of the negotiations within industry and a large part of the private labour market in addition the mediator may submit a mediation proposal that covers the entire private labour market in which instance general voting takes place on the proposal. Traditionally, the private sector utilizes the office of the state mediator more than the public sector. It is the responsibility of the social partners to ensure the competitiveness of industry, not the mediator's.

The principal role of the state mediator in Finland is to settle labour disputes. He is obligated to become involved in labour disputes at the request of the parties; however, he may also do this at his initiative, particularly if a labour dispute affects the entire society.

In Norway a large portion of the tasks of the state mediator pertains to trade union demands for collective agreements with enterprises that are not members of the employers' federations. In such instances the government appoints special mediators to temporarily work on certain defined projects. The special mediators also engage in mediation in disputes at the national level in order to expedite matters with the mediator's office. The rule is that if the parties' negotiations come to a halt without any results and the involvement by the state mediator is necessary, more wage increases than provided for in the collective agreements that have formed the wage policy are not an option.

The tasks of the state mediator in Sweden are extensive. They include, for example, facilitating new collective agreements being reached before the previous agreements expire, to collaborate with the parties on the economic premises of the collective agreements and to maintain a joint vision that industry sets the benchmark for wage changes. The office of the mediator gathers, interprets and issues information on wages, monitors the development on the labour market in Sweden and internationally, and analyses wage developments, for example, of men and women. Much emphasis is placed on maintaining peace on the labour market and a common understanding that industry determines the scope for wage increases. The office is to facilitate industrial peace within the scope industry sets, however, does not have a role of promoting changes in income distribution.

